

FISCAL YEAR 2020 HOUSING PRODUCTION TRUST FUND ANNUAL REPORT



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DC MURIEL BOWSER, MAYOR

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Cover Image: The Todd A. Lee Senior Residences, 809 Kennedy Street NW, a new 38-unit senior development in the Brightwood Park neighborhood.

Review of the Housing Production Trust Fund Fiscal Year 2020

The Housing Production Trust Fund (HPTF) is the major local financing tool used to produce and preserve affordable housing in the District of Columbia. The HPTF is a permanent, revolving revenue fund that provides gap financing to nonprofit and for-profit developers for the production and preservation of rental and homeownership housing projects affordable to low- and moderate-income households. It was created by the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801 et seq.) and requires that funded affordable housing projects provide units for household incomes that are at or below 80% of the Washington Metropolitan Statistical Area Median Family Income (MFI), previously referred to as Area Median Income (AMI).

In 2020, the MFI for a household of four, per the U.S. Department of Housing and Urban Development (HUD), was \$126,000. The HPTF income and rent limits are available on [DHCD's website](#).

In each fiscal year:¹

- At least 50% of HPTF obligations must serve households with incomes at 0%-30% of MFI.
- At least 40% of HPTF obligations must serve households with incomes at 31%-50% of MFI.
- At least 10% of HPTF obligations must serve households with incomes at 51%-80% of MFI.

The HPTF is competitively allocated through the District's Consolidated Request for Proposals for Affordable Housing ("RFP"), which DHCD administers and includes funding from multiple District agencies. Applicants must submit funding proposals that respond to all RFP requirements. Once a project is selected for further underwriting, the DHCD Development Finance Division thoroughly reviews and underwrites the project to ensure an efficient allocation of the funding required for financial feasibility of the project.

DHCD is required to complete quarterly HPTF reports, an annual report, and annual audits, all of which are posted to the DHCD website at:

- <https://dhcd.dc.gov/page/housing-production-trust-fund-reports>.

¹ The Fiscal Year 2020 Budget Support Act of 2019 increased the percentage of obligations dedicated to households with incomes at 0-30% MFI from 40% to 50% of obligations.

Housing Production Trust Fund Annual Report Fiscal Year 2020

The Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2803.01) requires that no later than April 1 of each fiscal year, the Mayor shall transmit to the Council a Housing Production Trust Fund Annual Report for the prior fiscal year. The report shall provide information for the following:^{2,3}

1. The amount of money expended from the Housing Production Trust Fund during the prior fiscal year.
\$143,872,432 was expended from the HPTF in FY20.
2. The number of loans and grants legally obligated during the prior fiscal year.
Twenty-Two (22) loans and zero (0) grants were legally obligated during FY20.
3. The number of low-income, very low-income, and extremely low-income households and individuals assisted through Fund legal obligations.⁴

MFI Levels	Households Assisted	Estimated Number of Individuals Assisted *
0% - 30%	185	385
31% - 50%	433	901
51% - 80%	384	799

The number of households assisted was multiplied by the average number of 2.08 people per household:
<https://www.census.gov/quickfacts/DC>

4. A list of each project on which funds from the Fund were legally obligated, including, for each project:
 - a. A brief description of the project, including the name of the project sponsor; (TABLE 1)
 - b. The amount of money legally obligated to the project; (TABLE 2)
 - c. Whether the money was legally obligated in the form of a loan or a grant; (TABLE 2)
 - d. The general terms of the loan or grant. (TABLE 2)

² § 42-2803.01. Annual report by Mayor.

³ Information included based on administrative data and methods as of June 12, 2023.

⁴ Predevelopment loans and projects that required additional financing are not included in these totals; households assisted. In the case of predevelopment loans, the number of households assisted will be captured in the construction or rehabilitation phase. The units for projects that required additional financing were already accounted for in past years.

FISCAL YEAR 2020 HPTF ANNUAL REPORT

TABLE 1

NEW CONSTRUCTION & SUBSTANTIAL REHABILITATION

Project Name	Sponsor	Project Type	Affordable Units	PSH Units	Senior Units	Family-Sized Units
1550 First St SW	TM DBT Limited Partnership	Rental	76	16	0	28
Anacostia Gardens Apartments	Anacostia Gardens Investor LLC	Rental	99	0	0	63
HanTiv	Tivoli Gardens Owner LLC	Rental	90	4	0	41
The Todd A. Lee Senior Residences at Kennedy Street	DP-GDC JV, LLC	Rental	38	0	38	0
1100 Eastern Ave NE	1100 Eastern Manager LLC	Rental	63	13	0	22
SOME Scattered Site III	SOME, Inc.	Rental	87	0	0	0
Spring Flats Senior 4%	Spring Flats Senior 4, LLC.	Rental	43	14	43	7
Spring Flats Senior 9%	Spring Flats MD LLC	Rental	45	0	45	6
Cedar Street Apartments	Joseph Development Inc.	Rental	30	3	0	15
Park Southern Apartments-Summer 2018 (Rehabilitation)	800 Southern Avenue LLC	Rental	334	10	0	138
1445 Spring Rd NW Renovation	Redevelopment Housing Advisors	Cooperative	13	0	0	0
Minnesota & 27th Street	Neighborhood Development Company	Homeownership	26	0	0	24
Spring Flats Family - Affordable	Spring Flats MD LLC	Rental	58	9	0	30
SUBTOTAL			1,002	69	126	374

PREDEVELOPMENT						
Project Name	Sponsor	Project Type	Affordable Units	PSH Units	Senior Units	Family-Sized Units
Park Place Apartments - Predevelopment	Manna, Inc.	Rental	21	0	0	0
The Courts at South Capitol Apartments - Predevelopment	Manna, Inc.	Rental	0	0	0	0
1 Hawaii Avenue Predevelopment	Wesley Housing Development Corporation	Rental	0	25	0	0
Mary's House - Predevelopment	Mary's House For Older Adults	Rental	15	3	15	0
Hyacinth's Way - Predevelopment	Hyacinth's Way	Rental	0	0	0	0
Barnett-Aden Apartments - Predevelopment	Mi Casa	Rental	27	0	0	20
SUBTOTAL			63	28	15	20
OTHER						
Project Name	Sponsor	Project Type	Affordable Units	PSH Units	Senior Units	Family-Sized Units
22 Atlantic - Additional Financing	22 Atlantic Cooperative	Cooperative	15	0	0	0
North Capitol Commons - Additional Financing	McCormack Baron Salazar / Community Solutions	Rental	124	0	0	0
Liberty Place - Additional Financing	National Housing Trust / IBF Development	Rental	71	0	0	7
SUBTOTAL			210	0	0	7
TOTAL			1,275	97	141	401

FISCAL YEAR 2020 HPTF ANNUAL REPORT

TABLE 2

NEW CONSTRUCTION & SUBSTANTIAL REHABILITATION

Project Name	Grant/Loan	Term	Interest Rate	Affordability Period	Commitment
1550 First St SW	Cash Flow Loan	40 Years	3%	99 Years of Affordability	\$13,877,898
Anacostia Gardens Apartments	Cash Flow Loan	40 Years	3%	Perpetual	\$9,850,000
HanTiv	Cash Flow Loan	40 Years	3%	Perpetual	\$9,700,125
The Todd A. Lee Senior Residences at Kennedy Street	Cash Flow Loan	40 Years	1%	60 Years of Affordability	\$7,377,210
1100 Eastern Ave NE	Cash Flow Loan	42 Years	3%	42 Years of Affordability	\$8,269,376
SOME Scattered Site III	Cash Flow Loan	40 Years	3%	40 Years of Affordability	\$4,747,639
Spring Flats Senior 4%	Cash Flow Loan	40 Years	3%	99 Years of Affordability	\$3,506,854
Spring Flats Senior 9%	Cash Flow Loan	40 Years	3%	99 Years of Affordability	\$826,062
Cedar Street Apartments	Cash Flow Loan	40 Years	3%	50 Years of Affordability	\$4,518,213
Park Southern Apartments-Summer 2018 (Rehabilitation)	Cash Flow Loan	40 Years	3%	Perpetual	\$19,693,584
1445 Spring Rd NW Renovation	Cash Flow Loan	40 Years	0%	Perpetual	\$2,000,000
Minnesota & 27th Street	Homebuyer Assumption Loan	2 Years	0%	15 Years of Affordability	\$6,427,352
Spring Flats Family - Affordable	Cash Flow Loan	40 Years	3%	40 Years of Affordability	\$10,371,626
SUBTOTAL					\$101,165,939

PREDEVELOPMENT					
Project Name	Grant/Loan	Term	Interest Rate	Affordability Period	Commitment
Park Place Apartments - Predevelopment	Deferred Loan	2 Years	3%	N/A	\$100,000
The Courts at South Capitol Apartments - Predevelopment	Deferred Loan	2 Years	3%	N/A	\$100,000
1 Hawaii Avenue Predevelopment	Deferred Loan	2 Years	3%	N/A	\$100,000
Mary's House - Predevelopment	Deferred Loan	2 Years	3%	N/A	\$100,000
Hyacinth's Way - Predevelopment	Deferred Loan	2 Years	3%	N/A	\$100,000
Barnett-Aden Apartments - Predevelopment	Deferred Loan	2 Years	3%	N/A	\$100,000
SUBTOTAL					\$600,000
OTHER					
Project Name	Grant/Loan	Term	Interest Rate	Affordability Period	Commitment
22 Atlantic - Additional Financing	Cash Flow Loan	40 Years	1%	40 Years of Affordability	\$366,070
North Capitol Commons - Additional Financing	Cash Flow Loan	40 Years	3%	40 Years of Affordability	\$500,000
Liberty Place - Additional Financing	Cash Flow Loan	40 Years	3%	40 Years of Affordability	\$1,937,575
SUBTOTAL					\$2,803,645
TOTAL					\$104,569,584

5. The amount and percentage of funds legally obligated to homeownership projects.

One loan in the amount of \$6,427,352 closed in FY22 for a homeownership project (Minnesota & 27th Streets, now known as Park 27). This represents 6% of obligated HPTF funds in FY22.

6. The amount and percentage of funds legally obligated to rental housing projects.

A total of \$95,776,162 in predevelopment or construction loans for rental housing projects closed in FY22. This represents 92% of obligated HPTF funds. From above, 6% of obligated HPTF funds in FY22 were for homeownership and the remaining 2% of obligated HPTF funds is for loans totaling \$2,366,070 for cooperative projects.

7. The amount and percentage of funds legally obligated to rental housing or homeownership opportunities for households with incomes at or below 30% of the area median income.

\$22,260,463 (21%) of funds were obligated to rental housing or homeownership opportunities for households with incomes at or below 30% of the area median income.

8. The amount and percentage of funds legally obligated to rental housing or homeownership opportunities for households with incomes at or below 50% of the area median income.

\$58,671,918 (56%) of funds were obligated to rental housing or homeownership opportunities for households with incomes at or below 50% of the area median income.

9. The amount and percentage of funds legally obligated to rental housing or homeownership opportunities for households with incomes at or below 80% of the area median income.

\$23,337,203 (22%) of funds were obligated to rental housing or homeownership opportunities for households with incomes at or below 80% of the area median income.

10. The number of housing units assisted, including the number of rental housing units assisted and the number of homeownership units assisted.⁵

1,065 housing units were funded by HPTF in FY20, inclusive of projects that received predevelopment funding and are not yet under construction:

- Rental: 1,026
- Homeownership: 26
- Cooperative: 13

11. The amount expended on administrative costs during the prior fiscal year.

Administrative expenses totaled \$16,416,745 for FY20.

⁵ Projects that required additional financing during construction are excluded from these totals because the units were previously counted in prior reports.